



**State of Louisiana**  
DIVISION OF ADMINISTRATION

**OFFICE OF STATE UNIFORM PAYROLL**

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

October 28, 1999

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2000-23

TO: All UPS Agencies

FROM: Ronald S. Mitchell  
Director

SUBJECT: Colonial Life Insurance Company Rate Increase

Colonial Life & Accident Insurance Company has implemented a rate increase effective July 1, 1999, for "educator" disability policies. Colonial will mail letters to all agencies affected by this rate increase, along with a list of the employees' current deduction amount and the increased amount. Letters will also be mailed from Colonial to the employees affected (see attachment), notifying them of this change. Included with the letter will be a new Payroll Deduction Authorization Form (SED4) with the new disability rate and all other products and premiums employees have with Colonial.

Employees who accept the increase must sign the forms and bring them to their payroll office by November 5, 1999. Each payroll office must process a one-time adjustment, MSK PC/NC, of premiums for the difference between the new rate and the old rate of the disability product from July 1 to present. Consequently, a large deduction amount will be processed for the payday when the one-time occurs. Employees who do not submit the signed SED4 by November 5, 1999, will have their policies canceled upon notice from Colonial, effective July 1, 1999, and deductions from July to present will be refunded.

Colonial will use the November deduction information from the Uniform Payroll System to determine which employees did not agree to the increase. Colonial will forward a list of these employees to the payroll offices in December advising agencies to stop the deduction and refund premiums from 7/1/99 to present. The list will include the employee's name, social security number, amount to be refunded, and the time period of the refund. A new Payroll Deduction Authorization Form, SED4, listing existing products and/or no deduction amount for the disability product, will also be mailed to the employee and agency indicating that coverage has been canceled and a refund of premiums must be processed through UPS.

If you have any questions about the rate increase contact Kristi Kirk, coordinator for Colonial, at (803) 798-7000 ext. 5978. Any other questions should be directed to Stacey Guilbeau at (225) 342-5337.

[Attachment](#)

RSM/KWA:kmb

Cc: Ray Harrison, Group Benefits  
Kristi Kirk, Colonial Life & Accident

October 26, 1999

RE: Colonial's Disability policy

Dear Sir or Madam,

You received a letter from our company advising you of an increase in your Colonial Disability policy rate in May 1998. During the State of Louisiana's open enrollment period 1999, you may have already completed a deduction authorization form to authorize this increased premium. If you have not taken any action on your Colonial Disability insurance, attached is a completed payroll authorization form. This authorization form includes the Disability premium amount at the increased rate and all other products and premiums you have with Colonial.

All you need to do is sign the form authorizing the increase your deduction for this coverage and return the form to your payroll office. This new premium took effect in July 1999. If you choose to authorize your Disability Policy rate increase, please note that your payroll office will process a one-time adjustment of premiums during which the SED-4 Form is processed; a larger deduction amount will be taken for the payday which the adjustment is processed for the difference between the new rate and the old rate of the product.

Even though the open enrollment period is over, you may still turn in this form to ensure that you keep this valuable coverage. It is important that you act quickly. If the authorization of the increased rate is not returned with your signature prior to November 5, 1999 to ensure the new deduction can be input, your Disability coverage will lapse. Therefore, if you do not accept the rate increase, the disability policy will be cancelled effective July 1, 1999 and deductions from July to present will be refunded. If you have any questions, please contact your Colonial representative or the Colonial Service Center, (800) 325-4368, Monday through Friday from 8 a.m. to 7 p.m./ Eastern Time.

Sincerely,

Colonial Life & Accident Insurance Company